MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour Peter M. Liba
Lieutenant-Governor of the Province of Manitoba
Winnipeg, Manitoba

May It Please Your Honour:

The undersigned has the honour to present the Report of The Manitoba Foundation for the year ended March 31, 2003.

Respectfully submitted,

Greg Selinger
Minister Responsible for The
Manitoba Foundation

The Manitoba Foundation
c/o The Office of the Deputy Minister of Finance

Room 109 Legislative Building
450 Broadway
Winnipeg, Manitoba
R3C 0V8

Honourable Greg Selinger
Minister of Finance

September 17, 2003

THE MANITOBA FOUNDATION ANNUAL REPORT
(For the Year ended March 31, 2003)

The Manitoba Foundation was established under The Manitoba Foundation Act in 1993, for the purpose of receiving gifts of real and personal property, including money, which it can transfer in support of programs and activities of recipient designated institutions. It has reported on its activities in annual reports every year since 1993-1994 fiscal year.

Since February 1997, when a Federal budget announcement proposed significant changes to income tax rules for charitable donations, the Manitoba Foundation has had no "gifting activity" – it has received no gifts. As reported in the 2001-2002 Annual Report, the Foundation had insignificant administrative transactions, and was essentially dormant.

In 2002-2003, no gifts were received by the Foundation and it remains dormant. There remains a fund balance of $11.

René Perreault
Secretary / Trustee

104-00495/

THE MANITOBA FOUNDATION
ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31, 2003

FUND PROFILE

The Manitoba Foundation was established under the authority of The Manitoba Foundation Act receiving Royal Assent on July 27, 1993 and was proclaimed in force as of November 22, 1993. The purpose of The Manitoba Foundation is to receive gifts of real and personal property, including money; and to make grants of money and transfers of real and personal property to support the programs and activities of recipient designated institutions. A designated institution is an educational institution, a hospital institution, or a museum institution within the meaning of The Manitoba Foundation Act.

The Foundation has been acknowledged by Canada Customs and Revenue Agency as a Crown agency, able to accept qualifying donations for which no net income limit will apply to donors for income tax purposes. The Foundation is intended to act as a conduit; it allows donors to make donations through the Foundation for the benefit of designated universities, colleges, hospitals and museums in Manitoba. The Foundation will transfer donations at the Board's direction only to institutions which are registered charities and designated by the Lieutenant Governor in Council in the Regulations under the Act.

The day-to-day operations of the Foundation will be limited to receiving donations, issuing receipts, temporarily investing funds received and transferring donations to designated institutions at the Board's direction; most of these operations will be performed by the Manitoba Department of Finance.

The Foundation is required to recover its administrative costs from income received. The Foundation withholds from each gift of money the lesser of (a) $500 and (b) 1% of the amount of the gift to cover these costs. Further, for gifts other than money, the Foundation may request the donor and/or designated institution to provide cash resources in an amount equal to the lesser of (a) $500 and (b) 1% of the amount of the gift for administrative purposes. After the payment of administrative expenses, the Foundation intends to transfer any amounts remaining and interest earned, to the designated institution(s) to which the gift was transferred on a pro rata basis.

THE MANITOBA FOUNDATION
ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31, 2003

2002-2003 ACTIVITIES

During the year, no gifts were received by the Foundation. There has been no activity in the proffering of gifts to the Foundation since the Federal budget announcement in February, 1997 of the proposed change to tax deductions/credits for gifts to registered charities. Effective for taxation years after 1996, gifts given to all registered charities will be eligible for an in-year general deduction/credit base inclusion rate of 75% of the taxpayer's net income.

Interest earned on funds on deposit was less than $1. and there were no administrative expenditures during the year. There remained a fund balance of $11.

THE MANITOBA FOUNDATION
STATEMENT OF RESPONSIBILITY

The accompanying financial statements are the responsibility of the Board of Trustees and have been prepared in accordance with Canadian generally accepted accounting principles. In the Board's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating its best judgement regarding all necessary estimates and all other data available up to September 10, 2003.

The Board of Trustees maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information to properly safeguard assets of The Manitoba Foundation.

The responsibility of the Office of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Repor outlines the scope of the audit examination and provides the audit opinion.

On behalf of the Board of Trustees of The Manitoba Foundation.

Brian H. Kelly

Treasurer

René Perreault

Secretary/Trustee

September 10, 2003

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Trustees of The Manitoba Foundation

We have audited the balance sheet of The Manitoba Foundation as at March 31, 2003 and the statement of operations for the year then ended. These financial statements are the responsibility of the Foundation's Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Trustees, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Manitoba Foundation as at March 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
September 10, 2003

THE MANITOBA FOUNDATION
BALANCE SHEET

As At March 31, 2003
(with comparative figures for March 31, 2002)

	2003 $	2002 $
ASSETS		
Funds on deposit with the Minister of Finance	11	11
FUND BALANCE		
Fund balance	11	11

THE MANITOBA FOUNDATION
STATEMENT OF OPERATIONS

For the Year Ended March 31, 2003
(with comparative figures for the year ended March 31, 2002)

	2003 $	2002 $
REVENUE:		
Interest and other income	0	0
EXPENSES:		
Administrative expenses	0	0
EXCESS OF REVENUE OVER EXPENSES	0	0
FUND BALANCE AT BEGINNING OF YEAR	11	11
FUND BALANCE AT END OF YEAR	11	11

APPROVED BY THE BOARD:

Trustee

Trustee

THE MANITOBA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003

1. INCORPORATION AND FUNCTION

The Manitoba Foundation was established by The Manitoba Foundation Act which was proclaimed on November 22, 1993.

The Manitoba Foundation meets the requirement of Crown Agency status within the meaning of the Income Tax Act, and as such can receive gifts to Her Majesty in right of Manitoba and issue official receipts for income tax purposes.

The Foundation is intended to act as a conduit, for the transfer of gifts received, to institutions which are registered charities and are designated by the Lieutenant Governor in Council in the Regulations under The Manitoba Foundation Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The Foundation financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. GIFTS POLICY AND WITHHOLDINGS FOR ADMINISTRATIVE EXPENSES

Gifts to the Foundation must have a value of not less than $10,000 and the transfer of these properties must be voluntary.

The Trustees of the Foundation are entitled to cover their administrative costs from the property and earnings of the fund and have adopted a withholding policy for this purpose. The full amount of the gift is the amount that qualifies for the purposes of an official tax receipt.

The Trustees will review the fund balance and intend to transfer any excess amount withheld to the designated institution(s) on a pro rata basis.

4. SERVICES PROVIDED BY THE PROVINCE

The Province of Manitoba provides administrative support services at no charge to the Foundation. The full costs of these services are nominal in amount.

5. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented in these financial statements as no additional useful information would be provided by its inclusion.